

Message Text

LIMITED OFFICIAL USE

PAGE 01 ZAGREB 00799 031137Z

44

ACTION EUR-25

INFO OCT-01 ISO-00 FEA-02 ACDA-19 CIAE-00 INR-11 IO-14

L-03 NSAE-00 NSC-07 RSC-01 SCI-06 AEC-11 XMB-07 EB-11

TRSE-00 PM-07 MC-02 DRC-01 /128 W

----- 006624

R 310625Z AUG 74

FM AMCONSUL ZAGREB

TO SECSTATE WASHDC 2670

INFO AMEMBASSY BELGRADE

LIMITED OFFICIAL USE ZAGREB 799

E.O. 11652: N/A

TAGS: ENRG, YO

SUBJECT: KRSKO PROJECT: EURODOLLAR FINANCING PROBLEM

REF: A. ZAGREB 0760; B. ZAGREB 0728; C. ZAGREB 0737

SUMMARY: KRSKO EURODOLLAR FINANCING PACKAGE HANGING AT \$175 OF \$215 MILLION DESIRED. SLOVENIAN BANKER HAS URGED USG ENCOURAGE SEVEN PACKAGE PRINCIPALS TO EACH RAISE ANTE BY SOME \$5 MILLION. GIVEN INHOSPITABLE INTERNATIONAL FINANCIAL CLIMATE, HE GLOOMY AS TO ATTRACTION SUBSTANTIAL NEW LENDERS. CROATIAN BANKER SOMEWHAT LESS PESSIMISTIC, BUT FORESEES NO EURODOLLAR PACKAGE AGREEMENT AT LEAST UNTIL MID-SEPTEMBER. END SUMMARY

1. DURING KRSKO CONTRACT SIGNING AUGUST 22 (REF A), DEPUTY DIRECTOR KANDUS OF "LJUBLJANSKA BANKA" EMPHASIZED TO AMBASSADOR AND OTHER AMERICAN OFFICERS THAT KRSKO EURODOLLAR FINANCING HANGING AT \$175 MILLION, SOME \$40 MILLION SHORT OF \$215 MILLION DESIRED. KANDUS, GIVEN PRESENT INHOSPITABLE INTERNATIONAL FINANCIAL CLIMATE, PESSIMISTIC REGARDING ATTRACTION SUBSTANTIAL NEW LENDERS. HE URGED, THEREFORE, THAT USG ENCOURAGE SEVEN PACKAGE PRINCIPALS EACH TO INCREASE ANTE BY SOME \$5 MILLION, THEREBY COMPLETING PACKAGE.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 ZAGREB 00799 031137Z

2. AUGUST 29 CONVERSATION WITH DEPUTY DIRECTOR MRAZ OF CROATIA'S

"UDRUZENJA BANKA" REVEALED PACKAGE STILL AT \$175 MILLION. MRAZ EXPRESSED SOME HOPE, HOWEVER, THAT ANOTHER \$25 MILLION MAY BE FORTHCOMING FROM INTERNATIONAL BANKING CIRCLES. HE REITERATED THAT YUGOSLAV BANKS MIGHT THEN BE ABLE TO PICK UP REMAINING \$15 MILLION (REF B). HE DOES NOT EXPECT ANY PACKAGE AGREEMENT, THOUGH, BEFORE MID-SEPTEMBER. (MAY BE NOTED THAT AUTHORITIES IN SLOVENIA CONSIDER IT DIFFICULT FOR YUGOSLAV BANKERS ASSUME PWRT OF PACKAGE, SINCE THIS WOULD REQUIRE REALLOCATION FUNDS FROM OTHER PROJECTS. REF C).

3. MRAZ SAID YUGOSLAV BANKS HAVE NOW PROVIDED WESTINGHOUSE ADDITIONAL \$5.3 MILLION IN GUARANTEES TO COVER WORK THROUGH OCTOBER. IN EMPHASIZING IMPORTANCE "UNDERSTANDING" THAT WEST-INGHOUSE WILL RETURN ALL GUARANTEE FUNDS SOONEST AFTER FINANCING PACKAGE COMPLETE, MRAZ HOPED WESTINGHOUSE, IN MEANTIME, WOULD DRAW DOWN AS LITTLE AS POSSIBLE OF \$5.3 MILLION.
WILSON

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: NUCLEAR ENERGY, KRSKO NUCLEAR POWER PROJECT, CONTRACTS
Control Number: n/a
Copy: SINGLE
Draft Date: 31 AUG 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: MartinML
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974ZAGREB00799
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740243-0475
From: ZAGREB
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t1974081/aaaaaabw.tel
Line Count: 78
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: A. ZAGREB 0760; B. ZAGREB 0728; C. Z, AGREB 0737
Review Action: RELEASED, APPROVED
Review Authority: MartinML
Review Comment: n/a
Review Content Flags:
Review Date: 03 JUL 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <03 JUL 2002 by shawdg>; APPROVED <26 MAR 2003 by MartinML>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: KRSKO PROJECT: EURODOLLAR FINANCING PROBLEM
TAGS: ENRG, YO, WESTINGHOUSE
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005